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 INFORMATION FROM
 FOREIGN DOCUMENTS OR RADIO BROADCASTS

REPORT

CD NO.

STAT

COUNTRY Yugoslavia
 SUBJECT Economic - Petroleum
 HOW PUBLISHED Monthly periodical
 WHERE PUBLISHED Zagreb
 DATE PUBLISHED Aug 1951
 LANGUAGE Serbo-Croatian

DATE OF INFORMATION 1951

DATE DIST. 15 Jul 1952

NO. OF PAGES 3

SUPPLEMENT TO REPORT NO.

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SOURCE Nafta, Vol II, No 8, 1951.

CONSERVATION OF PETROLEUM DERIVATIVES IN YUGOSLAVIA

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The total value of petroleum derivatives which will be absorbed by Yugoslav industry, transport, and agriculture in 1951 will approximate 27,500,000 dollars, to be distributed as follows: fuels (gasoline, kerosene, and gas oil), 15,900,000 dollars; lubricants, 5,120,000 dollars; fuel oil, 4,250,000 dollars; bitumen, 1,100,000 dollars; frts, 60,000 dollars; and other derivatives, 1,070,000 dollars.

Yugoslav economic policy attempts, and must continue to attempt, to maintain a high dollar value for its products while maintaining indirect dollar costs at as low a level as possible. One of the ways to achieve this goal is strict conservation in consumption of petroleum derivatives.

The evaporation of petroleum derivatives decreases the quantity intended for consumption; therefore, greatest attention should be given to storage of petroleum derivatives so as to lower losses due to evaporation. Tanks, barrels, cans, and any other vessels used for storage should be tightly closed; in summer, tanks should be kept cool and derivatives in other containers should be stored in warehouses or kept in the shade.

Considerable losses in handling petroleum derivatives take place particularly on the consumer level, although some also take place in refineries, installations, and warehouses of the "Jugopetro" Enterprise. These losses arise from inadequate use of or complete lack of technical means, but oftener from carelessness and neglect. Technical means are very simple (funnels, hose, etc.), and every consumer can obtain them. Carelessness and neglect in handling petroleum derivatives should be fought most vigorously. However, it is difficult to accomplish savings if the people handling the material do not have a desire to conserve it and do not understand its real value.

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Even knowing the value of petroleum derivatives is not enough to induce conservation because some persons have no conception of what constitutes careful measures. Perhaps it is necessary to recall that it was said during World War I that "one drop of petroleum is worth one drop of blood", and that World War III, which many believe is imminent, will bring forth the saying "petroleum is worth even more than human blood". The tremendous importance of petroleum should deter all those handling petroleum derivatives from increasing consumption by carelessness, so that waste will be prevented in refineries and oil fields, where 10-20 kilograms are spilled when a tank is filled and drivers will not regularly spill half a liter of gasoline when they pour 10 liters into the tanks of their vehicles.

Loss during transportation can be prevented by controlling the condition of vehicle and containers, by careful loading and unloading, and by levying a fine for careless handling during transport. Central valves and hoses of railroad tanks should be in perfect condition. A tank should not be filled completely, thus preventing liquid from splashing through the upper opening. Barrel caps should fit tightly. Careless loading of barrels and drums into vehicles (railroad cars or trucks) can damage containers so that they will leak. Imperfect vehicles or containers should never be used to transport petroleum derivatives.

Consumption of petroleum derivatives can be substantially reduced by reducing consumption norms, which call for a higher consumption of derivatives than is normal for motors and machines which are in good condition.

The greatest reduction of petroleum-derivative consumption can be achieved by efficient use of motors, machines, and vehicles. Quite often motors and machines are started up too soon or allowed to operate beyond the period of actual use. The following shows the quantities of gasoline used by a Mercury truck belonging to the Central Machine Shop.

Average Gasoline Consumption in 1950 (kg/100 ton-km) ---

<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
18.3	19.9	33.9	24.5	35	14.4	29	18	11.1	19.6	30.3	22.7

Had the Central Machine Shop utilized information it already had in its possession, the year's average gasoline consumption per 100 ton-kilometers would not have been 20.4 kilograms, but would have amounted to less than 15 kilograms.

Conservation of higher quality petroleum derivatives could be achieved in more ways than are now employed. The frequent practice of using highly refined derivatives rather than crude products usually results from the ignorance of personnel lubricating motors and machines and from the layman's deeply-rooted conviction that heavy oil is always better than light oil. The difference in price between heavy and light oil is considerable (as much as 15-20 dollars per ton); but, regardless of price differences, consumers demand heavy oil even though it is no more beneficial than light oil. The use of motor oil for other purposes is a very common practice. Motor oil is often used instead of machine oil, although it is about 100 dollars higher per ton than machine oil. Motor oil contracted for by consumers is 8 percent of all fuels (motor fuel, gas oil, and kerosene), although 5 percent would suffice.

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Consumers usually use refined paraffin regardless of the fact that they could use semirefined paraffin, which is 15-20 dollars a ton cheaper. Consumers do not utilize other substitutes for paraffin, although paraffin is about 180-205 dollars a ton.

Ordinary gas oil usually used in low-speed high-powered diesel engines could be replaced by heavy gas oil or even light fuel oil, if engines were equipped with fuel filters and fuel heaters. Light fuel oil and heavy gas oil are considerably cheaper than ordinary gas oil.

Gasoline consumers could use compressed methane for trucks instead of gasoline. To effect an increase in methane consumption and a reduction in gasoline consumption, steel containers for gas at 200 atmospheres of pressure are needed. These are not produced domestically, so it is imperative that all methane consumers take good care of containers and see that they are returned to producers as soon as possible. Savings in consumption of lubricants also could be effected by utilizing reclaimed oil. By reclaiming used oil from bearings, turbines, transformers, and aircraft, Yugoslavia would obtain oil which could be used for the same or similar purposes. About 750 kilograms of motor oil can be obtained by reclaiming one ton of used motor oil. Strict observance of the decree issued by the Council on Energy Production regarding the reclaiming and filtering of used lubricating oils will guarantee an annual 3,500 tons of reclaimed oil. Petroleum derivatives can be conserved by substituting other products which either are not dollar commodities or are of lower dollar value. Fuel oil can be replaced by brown coal or even lignite; these are not dollar commodities, as they cannot be exported because of their inferior quality.

By conserving petroleum derivatives, a substantial reduction in the cost of petroleum derivatives can be passed on to consumers. However, the pricing system of petroleum products does not always make it possible to pass on the entire saving in cost to consumers. For instance, all imported motor oils are sold at the same price in Yugoslavia, although different kinds of imported oil (SAE 20, SAE 30, SAE 40, and SAE 60) are purchased at different prices. Because all grades of oil sell at the same price, consumers invariably demand the highest quality oil. By pricing oil according to its grade, consumers would buy the grade they need rather than just the heavy oils.

Reducing the consumption of petroleum derivatives and conserving high-quality petroleum products also will influence the balance of Yugoslavia's foreign-exchange credits. If each consumer exercised the strictest control over consumption of petroleum derivatives, Yugoslavia could save (taking into consideration quantities now contracted for) 1,766,450 dollars in 1951. This could be realized as follows: fuels (gasoline, kerosene, gas oil), a saving of 71,250 dollars or 0.5 percent of the contracted quantity; lubricating oils, 430,000 dollars, if motor oil consumption was reduced to 5 percent, and if consumption of other lubricating oils was reduced by 0.5 percent; fuel oil, 1,260,000 dollars, if 36,000 tons were replaced by bituminous coal and lignite, especially on railroads; and other derivatives, 5,200 dollars, if reduction of 0.5 percent was made.

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